

LEGISLATURE OF NEBRASKA  
NINETY-SIXTH LEGISLATURE  
SECOND SESSION

**LEGISLATIVE BILL 945**

Introduced by Wickersham, 49

Read first time January 5, 2000

Committee: Revenue

A BILL

- 1 FOR AN ACT relating to revenue and taxation; to amend sections
- 2 77-3442 and 77-3444, Revised Statutes Supplement, 1999;
- 3 to change provisions relating to property tax levy
- 4 limitations; and to repeal the original sections.
- 5 Be it enacted by the people of the State of Nebraska,

1           Section 1. Section 77-3442, Revised Statutes Supplement,  
2 1999, is amended to read:

3           77-3442. (1) Property tax levies for the support of  
4 local governments for fiscal years beginning on or after July 1,  
5 1998, shall be limited to the amounts set forth in this section  
6 except as provided in section 77-3444.

7           (2)(a) Except as provided in subdivision (2)(b) of this  
8 section, school districts and multiple-district school systems may  
9 levy a maximum levy of (i) one dollar and ten cents per one hundred  
10 dollars of taxable valuation of property subject to the levy until  
11 fiscal year 2001-02 and (ii) one dollar per one hundred dollars of  
12 taxable valuation of property subject to the levy for fiscal year  
13 2001-02 and all subsequent fiscal years. Excluded from this  
14 limitation are amounts levied to pay for sums agreed to be paid by  
15 a school district to certificated employees in exchange for a  
16 voluntary termination of employment and amounts levied to pay for  
17 special building funds and sinking funds established for projects  
18 commenced prior to April 1, 1996, for construction, expansion, or  
19 alteration of school district buildings. For purposes of this  
20 subsection, commenced means any action taken by the school board on  
21 the record which commits the board to expend district funds in  
22 planning, constructing, or carrying out the project.

23           (b) Federal aid school districts may exceed the maximum  
24 levy prescribed by subdivision (2)(a) of this section only to the  
25 extent necessary to qualify to receive federal aid pursuant to  
26 Title VIII of Public Law 103-382. For purposes of this  
27 subdivision, federal aid school district means any school district  
28 which receives ten percent or more of the revenue for its general

1 fund budget from federal government sources pursuant to Title VIII  
2 of Public Law 103-382.

3 (3) Community colleges may levy a maximum levy on each  
4 one hundred dollars of taxable property subject to the levy of (a)  
5 eight cents for fiscal year 1998-99 and fiscal year 1999-2000 and  
6 (b) seven cents for fiscal year 2000-01 and each fiscal year  
7 thereafter.

8 (4) Natural resources districts may levy a maximum levy  
9 of four and one-half cents per one hundred dollars of taxable  
10 valuation of property subject to the levy.

11 (5) Educational service units may levy a maximum levy of  
12 one and one-half cents per one hundred dollars of taxable valuation  
13 of property subject to the levy.

14 (6) Incorporated cities and villages may levy a maximum  
15 levy of forty-five cents per one hundred dollars of taxable  
16 valuation of property subject to the levy plus an additional five  
17 cents per one hundred dollars of taxable valuation to provide  
18 financing for the municipality's share of revenue required under an  
19 agreement or agreements executed pursuant to the Interlocal  
20 Cooperation Act or the Joint Public Agency Act. The maximum levy  
21 shall include amounts levied to pay for sums to support a library  
22 pursuant to section 51-201, museum pursuant to section 51-501,  
23 visiting community nurse, home health nurse, or home health agency  
24 pursuant to section 71-1637, or statue, memorial, or monument  
25 pursuant to section 80-202.

26 (7) Sanitary and improvement districts which have been in  
27 existence for more than five years may levy a maximum levy of forty  
28 cents per one hundred dollars of taxable valuation of property

1 subject to the levy, and sanitary and improvement districts which  
2 have been in existence for five years or less shall not have a  
3 maximum levy.

4 (8) Counties may levy or authorize a maximum levy of  
5 fifty cents per one hundred dollars of taxable valuation of  
6 property subject to the levy, except that five cents per one  
7 hundred dollars of taxable valuation of property subject to the  
8 levy may only be levied to provide financing for the county's share  
9 of revenue required under an agreement or agreements executed  
10 pursuant to the Interlocal Cooperation Act or the Joint Public  
11 Agency Act. The maximum levy shall include amounts levied to pay  
12 for sums to support a library pursuant to section 51-201 or museum  
13 pursuant to section 51-501. The county may allocate up to fifteen  
14 cents of its authority to other political subdivisions subject to  
15 allocation of property tax authority under subsection (1) of  
16 section 77-3443 and not specifically covered in this section to  
17 levy taxes as authorized by law which do not collectively exceed  
18 fifteen cents per one hundred dollars of taxable valuation on any  
19 parcel or item of taxable property. The county may allocate to one  
20 or more other political subdivisions subject to allocation of  
21 property tax authority by the county under subsection (1) of  
22 section 77-3443 some or all of the county's five cents per one  
23 hundred dollars of valuation authorized for support of an agreement  
24 or agreements to be levied by the political subdivision for the  
25 purpose of supporting that political subdivision's share of revenue  
26 required under an agreement or agreements executed pursuant to the  
27 Interlocal Cooperation Act or the Joint Public Agency Act. If an  
28 allocation by a county would cause another county to exceed its

1 levy authority under this section, the second county may exceed the  
2 levy authority in order to levy the amount allocated.

3 (9) Property tax levies for judgments obtained against a  
4 political subdivision which require or obligate a political  
5 subdivision to pay such judgment, to the extent such judgment is  
6 not paid by liability insurance coverage of a political  
7 subdivision, for preexisting lease-purchase contracts approved  
8 prior to July 1, 1998, for bonded indebtedness approved according  
9 to law and consistent with the requirements of this section and  
10 secured by a levy on property, and for payments by a public airport  
11 to retire interest-free loans from the Department of Aeronautics in  
12 lieu of bonded indebtedness at a lower cost to the public airport  
13 are not included in the levy limits established by this section.  
14 Bonded indebtedness secured under this section after the effective  
15 date of this act shall only be excluded from the limitations of  
16 this section if it has been approved by the voters according to  
17 law, approved by the voters pursuant to section 77-3444, or  
18 approved by a majority of those present at a meeting held to  
19 override the limits of this section pursuant to section 77-3444.

20 (10) The limitations on tax levies provided in this  
21 section are to include all other general or special levies provided  
22 by law. Notwithstanding other provisions of law, the only  
23 exceptions to the limits in this section are those provided by or  
24 authorized by sections 77-3442 to 77-3444.

25 (11) Tax levies in excess of the limitations in this  
26 section shall be considered unauthorized levies under section  
27 77-1606 unless approved under section 77-3444.

28 (12) For purposes of sections 77-3442 to 77-3444:

1           (a) Bonded indebtedness means indebtedness supported by a  
2 written contractual instrument securing the indebtedness with a  
3 lien on the revenue-generating capacity of the political  
4 subdivision and an obligation to levy property taxes to pay  
5 principal and interest; and

6           (b) Political ~~7 political~~ subdivision means a political  
7 subdivision of this state and a county agricultural society.

8           Sec. 2.     Section 77-3444, Revised Statutes Supplement,  
9 1999, is amended to read:

10           77-3444. (1) A political subdivision, other than a Class  
11 I school district, may exceed the limits provided in section  
12 77-3442 or a final levy allocation determination as provided in  
13 section 77-3443 by an amount not to exceed a maximum levy approved  
14 by a majority of registered voters voting on the issue in a  
15 primary, general, or special election at which the issue is placed  
16 before the registered voters. A vote to exceed the limits provided  
17 in section 77-3442 or a final levy allocation as provided in  
18 section 77-3443 must be approved prior to October 10 of the fiscal  
19 year which is to be the first to exceed the limits or final levy  
20 allocation. The governing body of the political subdivision may  
21 call for the submission of the issue to the voters (a) by passing a  
22 resolution calling for exceeding the limits or final levy  
23 allocation by a vote of at least two-thirds of the members of the  
24 governing body and delivering a copy of the resolution to the  
25 county clerk or election commissioner of every county which  
26 contains all or part of the political subdivision or (b) upon  
27 receipt of a petition by the county clerk or election commissioner  
28 of every county containing all or part of the political subdivision

1 requesting an election signed by at least five percent of the  
2 registered voters residing in the political subdivision. The  
3 resolution or petition shall include the amount of levy which would  
4 be imposed in excess of the limits provided in section 77-3442 or  
5 the final levy allocation as provided in section 77-3443 and the  
6 duration of the excess levy authority. The excess levy authority  
7 shall not have a duration greater than five years unless the vote  
8 is to approve a levy necessary to satisfy obligations to finance  
9 bonded indebtedness sought to be excluded under section 77-3442.  
10 If the excess levy is sought for bonded indebtedness, the duration  
11 of the excess levy shall not exceed the duration of the bond issue.  
12 Any resolution or petition calling for a special election shall be  
13 filed with the county clerk or election commissioner no later than  
14 thirty days prior to the date of the election, and the time of  
15 publication and providing a copy of the notice of election required  
16 in section 32-802 shall be no later than twenty days prior to the  
17 election. The county clerk or election commissioner shall place  
18 the issue on the ballot at an election as called for in the  
19 resolution or petition which is at least thirty days after receipt  
20 of the resolution or petition. The election shall be held pursuant  
21 to the Election Act. For petitions filed with the county clerk or  
22 election commissioner on or after May 1, 1998, the petition shall  
23 be in the form as provided in sections 32-628 to 32-631. Any  
24 excess levy authority approved under this section shall terminate  
25 pursuant to its terms, on a vote of the governing body of the  
26 political subdivision to terminate the authority to levy more than  
27 the limits, at the end of the fourth fiscal year following the  
28 first year in which the levy exceeded the limit or the final levy

1 allocation, at the expiration of the bond issue, or as provided in  
2 subsection (5) of this section, whichever is earliest. A governing  
3 body may pass no more than one resolution calling for an election  
4 pursuant to this section during any one calendar year. Only one  
5 election may be held in any one calendar year pursuant to a  
6 petition initiated under this section.

7 (2) The ballot question may include any terms and  
8 conditions set forth in the resolution or petition and shall  
9 include the following: "Shall (name of political subdivision) be  
10 allowed to levy a property tax not to exceed ..... cents per  
11 one hundred dollars of taxable valuation in excess of the limits  
12 prescribed by law until fiscal year ..... for the purposes  
13 of (general operations; building construction, remodeling, or site  
14 acquisition; or both general operations and building construction,  
15 remodeling, or site acquisition)?" If a majority of the votes  
16 cast upon the ballot question are in favor of such tax, the county  
17 board shall authorize a tax in excess of the limits in section  
18 77-3442 or the final levy allocation in section 77-3443 but such  
19 tax shall not exceed the amount stated in the ballot question. If  
20 a majority of those voting on the ballot question are opposed to  
21 such tax, the governing body of the political subdivision shall not  
22 impose such tax.

23 (3) The county clerk or election commissioner may set a  
24 uniform date for a special election to be held before October 10,  
25 1998, to submit the issue of exceeding the limits provided in  
26 section 77-3442 or the final levy allocation as provided in section  
27 77-3443 to the voters of political subdivisions in the county  
28 seeking additional levy authority. Any political subdivision may

1 individually or in conjunction with one or more other political  
2 subdivisions conduct a special election on a date different from  
3 that set by the county clerk or election commissioner, except that  
4 a governing body shall pass a resolution calling for a special  
5 election for this purpose and deliver a copy of the resolution to  
6 the county clerk or election commissioner no later than thirty days  
7 prior to the date of the election.

8           (4) In lieu of the election procedures in subsection (1)  
9 of this section, any political subdivision subject to section  
10 77-3443, other than a Class I school district, and villages may  
11 approve a levy in excess of the limits in section 77-3442 or the  
12 final levy allocation provided in section 77-3443 for a period of  
13 one year at a meeting of the residents of the political subdivision  
14 or village, called after notice is published in a newspaper of  
15 general circulation in the political subdivision or village at  
16 least twenty days prior to the meeting. If the excess levy is to  
17 satisfy obligations to finance bonded indebtedness, the duration of  
18 the excess levy shall not exceed the duration of the bond issue.  
19 At least ten percent of the registered voters residing in the  
20 political subdivision or village shall constitute a quorum for  
21 purposes of taking action to exceed the limits or final levy  
22 allocation. If a majority of the registered voters present at the  
23 meeting vote in favor of exceeding the limits or final levy  
24 allocation, a copy of the record of that action shall be forwarded  
25 to the county board prior to October 10 and the county board shall  
26 authorize a levy as approved by the residents for the year. If a  
27 majority of the registered voters present at the meeting vote  
28 against exceeding the limits or final allocation, the limit or

1 allocation shall not be exceeded and the political subdivision  
2 shall have no power to call for an election under subsection (1) of  
3 this section.

4 (5) A Except for a vote taken to approve excess levy  
5 authority to satisfy obligations to finance bonded indebtedness, a  
6 political subdivision, other than a Class I school district, may  
7 rescind or modify a previously approved excess levy authority prior  
8 to its expiration by a majority of registered voters voting on the  
9 issue in a primary, general, or special election at which the issue  
10 is placed before the registered voters. A vote to rescind or  
11 modify must be approved prior to October 10 of the fiscal year for  
12 which it is to be effective. The governing body of the political  
13 subdivision may call for the submission of the issue to the voters  
14 (a) by passing a resolution calling for the rescission or  
15 modification by a vote of at least two-thirds of the members of the  
16 governing body and delivering a copy of the resolution to the  
17 county clerk or election commissioner of every county which  
18 contains all or part of the political subdivision or (b) upon  
19 receipt of a petition by the county clerk or election commissioner  
20 of every county containing all or part of the political subdivision  
21 requesting an election signed by at least five percent of the  
22 registered voters residing in the political subdivision. The  
23 resolution or petition shall include the amount and the duration of  
24 the previously approved excess levy authority and a statement that  
25 either such excess levy authority will be rescinded or such excess  
26 levy authority will be modified. If the excess levy authority will  
27 be modified, the amount and duration of such modification shall be  
28 stated. The modification shall not have a duration greater than

1 five years. The county clerk or election commissioner shall place  
2 the issue on the ballot at an election as called for in the  
3 resolution or petition which is at least thirty days after receipt  
4 of the resolution or petition, and the time of publication and  
5 providing a copy of the notice of election required in section  
6 32-802 shall be no later than twenty days prior to the election.  
7 The election shall be held pursuant to the Election Act.

8 (6) For purposes of this section, when the political  
9 subdivision is a sanitary and improvement district, registered  
10 voter means a person qualified to vote as provided in section  
11 31-735. Any election conducted under this section for a sanitary  
12 and improvement district shall be conducted and counted as provided  
13 in sections 31-735 to 31-735.06.

14 (7) For purposes of this section, when the political  
15 subdivision is a school district or a multiple-district school  
16 system, registered voter includes both (a) persons qualified to  
17 vote for the members of the school board of the school district  
18 which is voting to exceed the maximum levy limits pursuant to this  
19 section and (b) persons in those portions of any Class I district  
20 which are affiliated with or a part of the school district which is  
21 voting pursuant to this section, if such voter is also qualified to  
22 vote for the school board of the affected Class I school district.

23 Sec. 3. Original sections 77-3442 and 77-3444, Revised  
24 Statutes Supplement, 1999, are repealed.